

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7446

BILL NUMBER: HB 1507

NOTE PREPARED: Jan 10, 2013

BILL AMENDED:

SUBJECT: Payment in Lieu of Taxes for Burns Harbor.

FIRST AUTHOR: Rep. Niemeyer

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill authorizes the City of Portage (City) to impose a Payment in Lieu of Taxes (PILOT) against the Port of Indiana-Burns Harbor (Port) and any other owner of property that is located at the Port that is treated as exempt property. It establishes the maximum PILOT to be the property taxes that would be imposed on the property if the property were not exempt from property taxes. Provides that the revenue from the PILOT may be used for any general fund purpose of the City.

Effective Date: July 1, 2013.

Explanation of State Expenditures: The Ports of Indiana operates the Port. The requirement to pay a PILOT to the City would increase the operating expenses of the Ports of Indiana.

Background: According to IC 5- 1.1-11-9(b), no assessment is to be made on certain government owned property. Therefore, there is no assessment information available on the exempt Port property in question.

Explanation of State Revenues:

Explanation of Local Expenditures: The local assessor would have to assess this property if an assessment has not been made. The assessor could incur additional administrative costs if staff assesses the property or the assessor could incur additional contract costs if a contractor is used to assess this type of property.

Explanation of Local Revenues: Under this bill, the city of Portage may assess a PILOT against (1) property owned or leased by the Port or (2) other property that is exempt under the Port statute or (3) both. The

maximum PILOT amount that could be imposed is the city's share of property taxes that would have been paid if the property was not exempt.

State Agencies Affected: Ports of Indiana.

Local Agencies Affected: City of Portage.

Information Sources: LSA Property Tax Database.

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